

July 25, 2019

**Under Secretary for Benefits
Dr. Paul R. Lawrence
Managing VBA Performance & Results: Q3
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[Ray Tellez:]

- Good afternoon, everyone.
- I'm Ray Tellez of VBA and I'm glad to welcome you to the Managing VBA Performance and Results webcast for the third quarter of Fiscal Year 2019.
- I'd now like to introduce our Under Secretary for Benefits, Dr. Paul Lawrence.

[Dr. Lawrence/USB:]

- Thank you Ray.
- Hello everybody and thank you for joining us today.
- We're reporting this data to you in order to be transparent and accountable.
- As you will hear, our team delivered strong results this quarter.
- A big thank you to our dedicated VBA staff who make a difference every day in the lives of Veterans.

Slide 2: Agenda

- Let's get started
- Here's my agenda for our time together. Over the next twenty minutes I'll:
 1. Present VBA results for Quarter 3 of FY 2019;
 2. Explain how we are delivering benefits to our Veterans;
 3. Provide an update on 2 special topics:
 - **Our Independence Day Challenge:** we'll tell you about a challenge we put forward to our claims processing team.
 - **The Home Loan funding fee refund initiative:** we'll let you know our plans for this.
 4. Detail the engagement we've had with Veterans.
 5. And finally, I'll answer questions from 2 of our VSO partners.

Slide 3: Blue Water Navy

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- Before we begin, I want to talk about Blue Water Navy.
- On June 25th President Trump signed the Blue Water Navy Vietnam Veterans Act of 2019.
- It goes into effect January 1, 2020.
- The law extends the presumption to Blue Water Navy Veterans who served offshore within 12 miles of Vietnam.
- And provides other features some of which are listed here.
- We are aggressively preparing to implement the law on time.
- We will be providing more communication when our plans are finalized.
- Importantly, if you are a Veteran and you think you are eligible we urge you to file a claim.
- For more information visit the website at the bottom of this slide.

Slide 4: VBA Priorities

- Now, back to the main agenda
- I want to remind you of my three priorities. They are:
 1. Providing benefits to Veterans with excellent customer service;
 2. Fiscal stewardship; and
 3. Strong collaboration.
- Everything we do relates back to these three priorities.

Slide 5: VBA Overview

- For those new to VBA, here's a brief overview.
- We are a nationwide organization, comprised of nearly 24,000 employees - most of whom are Veterans.
- In Q3 we distributed more than \$28 billion in benefits to Service members, Veterans and their families.

Slide 6: VBA Business Lines

- Within VBA, we have **8** business lines that you see displayed on the chart.
- I'll provide highlights for each business line for the past quarter.

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Slide 7: Compensation

- Let's start with Compensation
- In Q3, we served **nearly 5 million** Veterans and paid **over \$22 billion** in compensation benefits.
- We completed more claims than our target—more than **350k**.
- And we completed those claims faster than our target.
- I am also very proud of the high quality work our team did.
- Before we move on I want to take a moment to highlight an impressive accomplishment from Q3.
- To do that here's Willie Clark, Deputy Under Secretary for Field Operations.

Slide 8: Independence Day Challenge

[WILLIE CLARK:]

- I'm pleased to be here and report to you the results of our Independence Day Challenge.
- Back in May, we challenged our rating claims processing team to complete 255 thousand claims between May 6 and June 30.
- In other words, we asked them to complete 9 full weeks of work in just 8 weeks.
- I'm happy to report not only that our team met the goal— they exceeded it.
- We've learned from the lessons of the past and knew that we had to focus on ensuring quality as our team worked to meet this tough goal.
- No other work was negatively impacted during the challenge.
- For successfully completing the challenge, the team was rewarded with a one-day time off grant on July 5.
- Thanks to our team for their hard work

[USB:]

- Thank you, Willie.

Slide 9: Thank you VA OIT

- Before we leave our Independence Day Challenge I want to thank VA Chief Information Officer Jim Gferer and the whole Office of Information and Technology team at VA
- Part of the reason we were successful was because of your hard work.

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- Thank you for your extra effort and support during our challenge.
- Now, let's talk about Appeals.

Slide 10: FY19 Q3 Results-Appeals

- Since Appeals Modernization launched in February, we now perform two types of appeals processing at VBA.
- Legacy appeals are those that were submitted before February 19, 2019.
- In Q3 we surpassed our target to reduce the inventory of legacy appeals.
- But the real story here is the success of the new Appeals Modernization effort.

Slide 11: Appeals Modernization

- The new Appeals process allows Veterans three decision-lanes to choose from.
- Two of these—the Supplemental and Higher-Level review lanes—are administered by VBA.
- As you can see, the target to complete appeals claims is 125 days—and we've completed them much faster.
- I'm glad to report Appeals Modernization is getting Veterans faster resolutions of their appeals.
- Follow the link at the bottom of your screen for more information on how to file an appeal.

Slide 12: Veterans Pension

- Now, let's discuss Veterans Pension.
- We served **nearly a quarter of a million** beneficiaries last quarter, paying out **3 quarters of a billion dollars**.
- As you can see we exceeded our goals for the number of claims completed.
- We just missed our timeliness goal.
- One of the reasons for that was our intentional focus on completing the oldest pending claims first.
- We will continue to streamline this process.

Slide 13: Survivors Benefits

- Let's move on to discuss Survivors Benefits.

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- We served 619 thousand beneficiaries and paid out over \$2 billion.
- We completed **nearly 60% more claims** in Q3 than we did in Q2.
- That's an enormous increase and I want to call out the hard work of our team.
- But we did fall short in both the number and timeliness.
- We will address this by continuing to streamline our processes and—if necessary—reallocating more resources to this area.

Slide 14: Fiduciary

- Next, let's talk about Fiduciary.
- We appoint fiduciaries for beneficiaries who are unable to manage their VA benefits on their own.
- We served more than 187 thousand beneficiaries during Q3.
- We also conducted more than **25,000** field exams to the homes of our most vulnerable beneficiaries, exceeding both Quarter 2 and our target for Q3.

Slide 15: Insurance

- Next, let's talk about Insurance.
- We run one of the largest, best-rated insurance programs in the U.S.
- In fact, in Q3 our customer satisfaction levels outperformed those in industry and federal government, as measured by the American Consumer Satisfaction Index.
- But the big news this quarter is that we reduced SGLI premiums.
- A premium reduction for a highly popular insurance offering is almost unheard of—we are very proud that we were able to do this.
- We had near misses on timeliness and accuracy.
- But we understand how that happened and we enhanced our internal controls in response.

Slide 16: Education

- We also were able to locate more hard-to-find beneficiaries than our target.
- Let's turn our focus to the next business line, Education.
- In Q3, we paid **more than 2 billion dollars** to more than **430 thousand** Veterans or dependents.

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- We processed original applications four and half days faster than our target.
- The new VET TEC program is live and accepting applications from Veterans who would like hands-on training to land a job in the high-tech industry.
- The STEM scholarship program will begin accepting applications and awarding benefits on August 1.

Slide 17: VR&E

- Now let's talk about Vocational Rehabilitation & Employment.
- Our goal in VR&E is to get Veterans to positive outcomes including employment, independent living, or continuing with school.
- We exceeded our target for positive outcomes.
- I promised to hire 169 counselors in FY19 and we are on track to do that.
- We completed more than 12 thousand tele-counseling appointments last quarter.
- And we are modernizing processes to reduce the administrative burden on our counselors.

Slide 18: Home Loan Guaranty

- Let's move on to Home Loans.
- In Q3 we guaranteed more than **155 thousand loans**.
- We celebrated the 75th anniversary of the VA home loan program with a ceremony recognizing the 24 millionth VA home loan recipient and his family.
- I know that you may have questions about our funding fee refund initiative, which began July 1.
- For that I've invited Jeff London, Executive Director of the Loan Guaranty Service, to talk with you.

Slide 19: Home Loan Funding Fee

- We are aware that approximately 130k Veterans are due a refund.
- We have an aggressive plan in place to complete our effort to refund all Veterans who are owed money by September 30.
- If you have concerns or think you're one of those Veterans who is due a refund please call us at 877-827-3702.
- Thank you, Jeff, for addressing that important issue.
- Now, let's talk about Transition and Economic Development or TED.

Slide 20: TED

- TED administers the Transition Assistance Program (or TAP), which provides information on VA benefits and services.
- Interactions with transitioning Veterans, spouses, and caregivers that happen through TAP briefings are measured by “TAP Touches.”
- In Q3 we had more than 48 thousand TAP touches.
- Department of Defense provides the surveys on customer satisfaction.
- Our customer satisfaction also exceeded target.
- Many of you will have received the Post Separation TAP Assessment survey in the mail recently.
- When you receive the survey, please respond.

Slide 21: Engagement with Veterans & Stakeholders

- Now let’s turn to the topic of engagement with Veterans and Stakeholders.
- In Q3 we continued to fulfill VA Secretary Wilkie’s commitment to increase our outreach to Veterans in rural or hard-to-reach areas.
- In June we sent an outreach team to Alaska—they ran benefits and claims clinics in four cities.
- And VA leadership joined representatives from the state of Alaska and community organizations to discuss ways we can continue to increase service to rural Veterans.
- In addition to the Alaska outreach, in Q3, VBA completed over **3,400 outreach events**.
- And our VBA Overseas Military Service Coordinators had more than **4,000** interactions with Service members and Veterans in Europe and the Far East.
- I also directly engaged with Veterans, Service members and families across the country.
- For those of you who want to keep track, I try to post photos from these activities regularly on social media.

Slide 22: Budget through Q3

- Our budget for FY19 is \$4.4 billion.
- As you can see, we are three-quarters of the way through the year, and we have spent just over 75% of our budget.
- We are on track and managing our resources well.

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- Being good stewards of VA's resources is a top priority for me, so that we continue to have the means to take care of our Veterans.

Slide 23: Oversight

- VA is part of the Executive Branch.
- As such, the Legislative Branch, Congress and the Senate provide oversight as we execute our mission.
- In Q3, we participated in 7 hearings, explaining our operations and the resources we need to provide outstanding service to Veterans.
- We appreciate the partnership with Congress to ensure we provide the best service to Veterans and their families.

Slide 24: Q&A

- Thank you, Dr. Lawrence.
- Now, we're going to move into the Q&A portion of our webcast.
- We've asked two of our VSO partners to record questions for us today.

Slide 25: Ralph Bozella Q&A

- First, we'll hear a recorded question from Ralph Bozella, Chairman of the Veterans Affairs & Rehabilitation Commission at The American Legion.

What can VA do to speed up the claims process so that Veterans can get Blue Water Navy claims completed?

If some of these Veterans have died will DIC be available to their dependents?

Slide 26: Response

- Thank you for this question.
- And thank you to the Legion for all you do for Veterans, and particularly all you did with VBA to celebrate the 75th Anniversary of the GI bill last month.
 - To make the review process for these claims faster, we are compiling ship information and digitizing Naval records.
 - We will also launch a communications campaign to ensure that Vietnam Veterans have all the information they need to file a claim.
 - VA will prioritize processing of claims for:

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- Veterans over age 85
 - Veterans with life-threatening illnesses
 - Veterans facing imminent homelessness
 - And Veterans facing financial hardship
- Eligible survivors of deceased Blue Water Navy Veterans may benefit from the new law and may file claims for benefits based on the Veterans' service.
 - Please visit the link at the bottom of your screen for more information.

Slide 27: Q&A Morgan Brown

- Next, we'll hear a recorded question from Morgan Brown, National Legislative Director at the Paralyzed Veterans of America.

What is VA doing to ensure proper staffing at all levels?

Slide 28: Response

- Thank you for this question.
- This is a 2-part answer.
- First, VBA develops our staffing budget based on estimated future workload.
- After the budget is passed by Congress, we monitor the workload and refine staffing based on the current situation.
- Second, we look for opportunities to streamline VBA, reducing redundancy and moving staff to where they are needed most.
- As Secretary Wilkie says, we must be agile.
- Early last year we identified the need to focus on Veterans' economic wellbeing.
- The result was the creation of TED.

Slide 29: 75th Anniversary of GI Bill

- We think VA is a great place to work.
- If you're interested in joining our team, visit the link on your screen and check out our job ads on USA Jobs.
- Before we wrap up, I want to share one more bit of good news with you.

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- Over the past few months we've been celebrating the 75th anniversary of the GI Bill.
 - More than **175** Veterans took the time to make and share videos with us, telling their GI Bill story.
 - You can view those stories on the website displayed on the screen.
 - And President Trump delivered a message affirming the importance of the GI Bill to our nation.
 - At VBA, we are proud to be the organization that administers the GI Bill.

Slide 30: Q3 Summary

- Before I turn this back over to Ray, let me summarize:
- As you just heard, this quarter I am happy to report that we are back on track.
- Performance of all our business lines is very strong.
- As Willie mentioned, our team exceeded the target for the Independence Day Challenge.
- As Jeff mentioned we have a plan in place to issue funding fee refunds.
- With the Alaska Initiative we continued to fulfill the Secretary's commitment to connect with rural and hard-to-reach Veterans.
- Preparations are ongoing to process Blue Water Navy claims.
- And we are on target when it comes to the budget and spending your money carefully.
- Performance of all our business lines is very strong.
- And that's because of our people.
- We have a great team at VBA.
- Its energizing to come to work with 24 thousand people whose sole purpose is to serve Veterans.
- They are passionate, motivated, and dedicated.
- I'm proud to be a part of this team.
- Thank you for joining me today.

Slide 31: Connect with us

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- This completes the webcast on Managing VBA Performance and Results for the third quarter of Fiscal Year 2019
- A recording of today's presentation will be available at **benefits.va.gov/stakeholder**.
- For VA customer service, you may call: **1-800-827-1000**
- To learn more about VA Benefits, visit: **www.benefits.va.gov**.

[Ray Tellez]

- That concludes our webcast today.
- Thank you again everyone.
- We are glad you were able to join us, and we look forward to the next time.